

## Message Text

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PAGE 01 STATE 020799  
ORIGIN NEA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00  
CIEP-01 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06  
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 IGA-02  
XMB-02 EUR-12 IO-13 /128 R

DRAFTED BY NEA/ARN:DREUTHER:OSG  
APPROVED BY NEA/ARN:MDRAPER  
-----291905Z 108543 /41  
R 290255Z JAN 77  
FM SECSTATE WASHDC  
TO USINT BAGHDAD

C O N F I D E N T I A L STATE 020799

E.O. 11652: GDS

TAGS: BTIO, ENRG, IZ

SUBJECT:GOI TO NEGOTIATE WITH NATIONALIZED OIL COMPANIES

1. WILLIAM E. LINDENMUTH, MOBIL OIL COMPANY GENERAL MANAGER FOR THE MIDDLE EAST, TOLD NEA/ARN JANUARY 28 THAT THE GOI HAS INVITED MOBIL, EXXON AND DUTCH SHELL TO ENTER INTO NEGOTIATIONS ABOUT COMPENSATION CLAIMS ARISING FROM THE 1973 NATIONALIZATION OF THESE COMPANIES' ASSETS. THE NEGOTIATIONS ARE TO BEGIN AROUND FEBRUARY 16. THE THREE COMPANIES WILL FIELD A JOINT NEGOTIATING TEAM WITH ABRITISH CITIZEN AS SPOKESMAN. A JOSEPH METELSKI WILL BE MOBIL'S REPRESENTATIVE. LINDENMUTH IS NOT SANGUINE ABOUT THE SUCCESS OF THIS INITIAL MEETING, SINCE HE CHARACTERIZED THE POSITIONS OF THE OIL COMPANIES AND THE GOI AS FAR APART.

2. LINDENMUTH THOUGHT THAT THE GOI'S MOVE TO NEGOTIATIONS  
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PAGE 02 STATE 020799

PARTLY RELATED TO THE FALL IN THE VALUE OF THE BRITISH POUND, WHICH WAS THE CURRENCY USED IN THE PRE-NATIONALIZATION CONTRACTS. FURTHERMORE, SOME OF THE COMPANIES ACTUALLY OWED IRAQ MONEY SINCE THEY HAD BEEN LIFTING CRUDE ON SIXTY-DAY CREDIT WHEN NATIONALIZATION OCCURRED.

3. MOBIL PURCHASED IRAQI CRUDE IN 1976, ACCORDING TO

6ANDBNMWTH, AT A DISCOUNT. NEVERTHELESS, THE GOI RESPECTED  
THB-TKN-Q&RCENT PRICE INCREASE IN POST-DOHA DEALS. HE SAW

LINDENMUTH, AT A DISCOUNT. NEVERTHELESS, THE GOI RESPEC-  
TED THE TEN PERCENT PRICE INCREASE IN POST-DOHA DEALS.  
HE SAW FURTHER PRAGMATISM AND TECHNOCRATIC PROFESSIONALISM  
IN INOC'S FLEXIBILITY WITH REGARD TO BOYCOTT LANGUAGE.  
LINDENMUTH CHARACTERIZED THE INOC MARKET PEOPLE AS SOPHIS-  
TICATED, AND NOTED A FRIENDLIER ATTITUDE TOWARD AMERICAN  
OIL EXECUTIVES.  
VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, PETROLEUM INDUSTRY, CLAIMS, NEGOTIATIONS  
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**Copy:** SINGLE  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** GS  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**TAGS:** BTIO, ENRG, IZ, EXXON, MOBIL OIL, (LINENMUTH, WILLIAM E)  
**To:** BAGHDAD  
**Type:** TE  
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**Review Markings:**  
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